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December 4th, 2008

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *High-Cost Universal Support*, WC Docket No. 05-537; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link Up*, WC Docket No. 03-109; *Universal Service Contribution Methodology*, WC Docket No. 06-122; *Implementation of Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98; *Developing a Unified Carrier Compensation Regime*, CC Docket No. 01-92; *Intercarrier Compensation for ISP-bound traffic*, CC Docket No. 99-68; *IP-Enabled Services*, WC Docket No. 04-36; *Numbering Resource Optimization*, CC Docket No. 99-200

Dear Secretary Dortch,

On December 3, 2008, Level 3 Communications LLC ("Level 3") met with Scott Deutchmann, Legal Adviser to Commissioner Michael Copps; Amy Bender, Legal Adviser to Chairman Kevin Martin; Greg Orlando, Legal Adviser to Commissioner Deborah Tate; and Scott Bergmann, Legal Adviser to Commission Jonathan Adelstein. Level 3 discussed the pending proposals to reform universal service and intercarrier compensation. Participating on behalf of Level 3 were: Jamie Moyer, Senior Director For Interconnection Services; Michael Donahue, Senior Regulatory Counsel; John Nakahata, Counsel to Level 3; and myself.

LEVEL 3 COMMUNICATIONS LLC

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During the meetings Level 3 urged the Commission to spread out the transition period for reaching a unified rate to 10 years. Level 3 provided the attached charts, reflecting how the transition under Appendices A and C would affect intrastate access revenues using, for the purpose of the example, rates of 2 cents per minute for intrastate access and 0.5 cents per minute for interstate access, and comparing that with a Level 3 proposed timetable. Under the Level 3 proposal, intrastate access rates would be brought down to interstate access rates during the first five years. The interstate rate would then be brought to the final unified rate over the last five years. As the attached chart reflects, the transition under Level 3's proposed plan is more manageable and allows more time for parties to adjust their business plans than do the front-loaded proposals under consideration by the Commission.

In addition to the longer transition path, Level 3 urged the Commission to:

- begin declines in originating access at year 1 and not toward the end of the plan; adopt a bring;
- adopt a numbers based approach for USF reform and to reject a connections based approach as too cumbersome to implement; and
- to consider how legitimate no-ANI traffic can be identified and thus not penalized by paying the highest terminating rates if the Commission adopts its phantom traffic proposals.

Level 3 intends to discuss these issues in greater length in its reply comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. P. Hunt' followed by a stylized flourish.

William P. Hunt

Vice President, Public Policy Level 3 Communications

cc: Amy Bender
Scott Deutchman
Greg Orlando
Scott Bergmann
Jamie Moyer
Michael Donahue